

THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DE 04-177

ORDER OF NOTICE

On September 24, 2004, Public Service Company of New Hampshire (PSNH) filed with the New Hampshire Public Utilities Commission (Commission) a petition to fix the Company's Transition Energy Service Rate effective on February 1, 2005. Pursuant to RSA 374-F:2, V, Transition Service is "electricity supply that is available to existing retail customers prior to each customer's first choice of a competitive electricity supplier, and to others, as deemed appropriate by the commission."

For all PSNH customers, the Transition Energy Service rate is currently set, pursuant to RSA 369-B:3, IV(b)(1)(C), based on "PSNH's actual, prudent and reasonable costs of providing such power as approved by the commission." Effective February 1, 2004, the Transition Energy Service rate was set by the Commission in Order No. 24,252 (December 19, 2003) at 5.36 cents per kilowatt-hour. In that order, the Commission explicitly left open the possibility of adjusting the PSNH Transition Energy Service rate effective on August 1, 2004 at the request of any party or the Commission Staff, but specified that any such adjustment would not vary the methodology approved in Order No. 24,252. Order No. 24,252, slip op. at 28-30. Upon receiving a petition from PSNH to adjust the Transition Energy Service Rate effective August 1, 2004, and after reviewing evidence at hearing, the Commission set the Transition Energy Service rate at 5.79 cents per kilowatt-hour for the period August 1, 2004 through January 31, 2005. Order No. 24,358 (August 2, 2004).

PSNH's September 24, 2004 filing contains testimony estimating that the appropriate Transition Energy Service Rate, based on the Company's actual, prudent and reasonable costs for the one-year period commencing on February 1, 2005, will be 6.14 cents per kilowatt-hour. However, the filing anticipates that PSNH will revise its requested Transition Energy Service rate over the course of the proceeding to reflect changes in forecast fuel and energy prices. PSNH proposes to implement the new rate on a bills-rendered (as opposed to a service-rendered) basis.

In addition, PSNH is requesting approval for the extension of Transition Energy Service through April 30, 2006. As stated in PSNH's petition, "[u]nder RSA 369-B:3 IV (b)(1)(C) Transition Energy Service 'shall be available [with respect to such large customers] until at least 12 months after initial transition service end day or as extended by the commission.' Absent such extension, the provision of Transition Energy Service to large customers may lapse as of January 31, 2005." PSNH states that its request to extend the availability of Transition Energy Service for all customer classes until April 30, 2006 is consistent with its understanding of the end date for Transition Service offered by Granite State Electric Company.

PSNH is further proposing that, similar to the procedure in DE 03-175, upon request of PSNH or any interested party, the Commission revisit the Transition Energy Service rate in an abbreviated proceeding during July 2005 with the potential change to the rate to take effect on August 1, 2005.

Finally, PSNH is proposing to continue its present practice of fixing its Default Energy Service rate at the same level as its Transition Energy Service rate. Default Service is "electricity supply that is available to retail customers who are otherwise without an electricity supplier and are ineligible for transition service."

The filing raises, inter alia, issues related to whether the proposed rate reflects PSNH's actual, prudent and reasonable cost of providing Transition Service, whether the capital structure and cost of capital reflected in the PSNH proposal is the appropriate one, whether billing for Transition Service on a bills-rendered basis is consistent with the public interest, whether it is appropriate to extend the availability of Transition Energy Service for all PSNH customers through April 30, 2006, whether the rate should be subject to potential review in July 2005, and whether the Default Energy Service rate should continue to be set at the same level as the Transition Energy Service rate.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Admin. Rules Puc 203.05, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on October 27, 2004 at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Admin Rule Puc 203.05(c) shall be considered; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, PSNH, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow PSNH to provide any amendments or updates to its filing; and it is

FURTHER ORDERED, that the following procedural schedule:

Data Requests by Staff and Intervenors	November 9, 2004
Company Data Responses	November 23, 2004
Technical Session	November 30, 2004
Testimony by Staff and Intervenors	December 7, 2004
Settlement Conference	December 9, 2004

Data Requests by the Company	December 10, 2004
Data Responses by Staff and Intervenors	December 17, 2004
Hearing	December 21, 2004

is established unless otherwise ordered following the prehearing conference; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.01, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than October 13, 2004, in a newspaper with statewide circulation or of general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 26, 2004; and it is

FURTHER ORDERED, that pursuant to N.H. Admin Rules Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission an original and eight copies of a Petition to Intervene with copies sent to PSNH and the Office of the Consumer Advocate on or before October 24, 2004, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin Rule Puc 203.02 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before October 27, 2004.

By order of the Public Utilities Commission of New Hampshire this eighth day of
October, 2004.

Debra A. Howland
Executive Director & Secretary

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Ste 10, Concord, NH 03301-2429; 603-271-2431; TDD Access: Relay NH 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.